

Message Text

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PAGE 01 WELLIN 00105 100207Z
ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-01 INR-07 IO-14 NEA-10 NSAE-00
USIA-15 OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01
AGRE-00 OMB-01 SS-15 NSC-05 STR-05 XMB-04 DODE-00
PA-02 PRS-01 /132 W
-----102409 100213Z /61

R 100059Z JAN 78
FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC 4701
INFO AMEMBASSY PARIS
AMEMBASSY CANBERRA
AMEMBASSY SUVA
AMCONSUL AUCKLAND POUCH

UNCLAS WELLINGTON 00105

PARIS FOR USOECD

EO 11652: N/A
TAGS: ETRD EFIN ECON NZ
SUBJECT: NZ SUSPENDS TRADING IN INTERNATIONAL CURRENCIES
PENDING US GOVERNMENT DECISION ON DOLLAR

1. FOLLOWING THE RAPID SLIDE OF THE VALUE OF THE DOLLAR
FROM 1.00 NZ DOLLARS EQUALS 1.0422 US DOLLARS ON WEDNESDAY
JANUARY 4 TO 1.00 NZ DOLLAR EQUALS 1.0116 US DOLLARS ON
THURSDAY JANUARY 5, THE RESERVE BANK OF NEW ZEALAND
DECIDED TO SUSPEND TRADING IN ALL MAJOR CURRENCIES
EXCEPT STERLING, US AND CANADIAN DOLLARS AND IN THESE
THREE CURRENCIES ONLY SPOT (I.E. IMMEDIATE DELIVERY) RATES
WERE BEING QUOTED. THIS ACTION WAS TAKEN BECAUSE OF THE
WIDESPREAD INSTABILITY IN THE EXCHANGE RATE QUOTATIONS
BEING RECEIVED FROM INTERNATIONAL MARKETS FOLLOWING THE
US ANNOUNCEMENT OF INTERVENTION IN MARKETS TO SUPPORT THE
US DOLLAR.

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2. ON FRIDAY, JANUARY 6 THE RESERVE BANK ANNOUNCED THAT
LDILTT HAD LIFTED THE TEMPORARY SUSPENSION ON PUBLIC DEALINGS
IN VARIOUS FOREIGN CURRENCIES SINCE OVERNIGHT TRADING IN
THE INTERNATIONAL MARKETS HAD ENABLED FOREIGN CURRENCIES
TO RE-ALIGN THEMSELVES VIS-A-VIS THE US DOLLAR. THE
RESERVE BANK CAUTIONED THAT FURTHER READJUSTMENTS MIGHT

BE NECESSARY; HOWEVER THE MARKET APPEARS TO HAVE LARGELY
STABILIZED FOR THE MOMENT ENABLING NORMAL FOREIGN
EXCHANGE OPERATIONS TO CONTINUE. SELDEN

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NNN

Message Attributes

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Draft Date: 10 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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